



Department of Justice

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Southern District of Alabama

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Man who schemed to defraud investors is sentenced to 37 months

Mobilian "Flim-flam" nets prison time and must pay over \$760,000 in restitution

In federal court today Darien Wayne Hill, 41, of Mobile was sentenced to 37 months and ordered to pay restitution totaling \$764,652.71. Judge William Steele did not accept Hill's claim that he was simply a well-intentioned businessman who made business mistakes. Judge Steele called Hill's actions a "flim-flam", as he ordered him to pay the victims and sentenced him to federal prison. Additionally Mr. Hill will serve 3 years supervised release after serving his time.

U.S. Attorney Deborah J. Rhodes said Hill promoted himself as highly experienced in the mortgage lending and investment banking industry, and convinced investors that he intended to purchase "unseasoned" mortgages at a discount. He claimed he would then establish a period of servicing the loans and resell the mortgages at a substantial profit, which would net investors a high rate of return on their investments. The investigation revealed that Hill would move the money that he received from investors through approximately 14 separate bank accounts in order to obfuscate the source of the money. Investigators found no mortgages that were purchased for the benefit of the investors. In

fact, Hill engaged in a Ponzi scheme by using funds from subsequent investors to pay interest to prior investors thereby encouraging further investments. "Those who seek to get rich through fraudulent business schemes like this one can expect to be prosecuted vigorously. The law does not have an exception for white collar crimes," says Rhodes.

This case was prosecuted by Assistant U.S. Attorney Maria Murphy and was investigated by Angela Tobon and Ned Eggbert of the FBI and Gary Traina of the IRS.